

# AUDIT CORNER


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You receive notice of a surprise inspection, are you ready and prepared or would you press the immediately upon sight of the caller ID? If you responded with the latter, cancel the alarm. There is a resource available that will aid your efforts to always be prepared whether an audit is planned or unannounced. Before panic sets in again, you have nothing to worry about. It is not OCS' policy or practice to conduct unannounced audits; we strive to provide at least two weeks notice prior to the start of any engagement. This is because we are confident that all of our local CSA programs are always prepared. However, we are frequently asked "how can we prepare for the audit?" The answer....



[Self - Assessment Workbook](#) 

In the coming weeks, we will publish Fiscal Years (FY) 2017-2019 audit plan. Many of you will contemplate when, where and how to begin. As you prepare for your impending audit, whenever that may be, the [Self - Assessment Workbook](#)  is an excellent place to start and we recommend that you start now. Once completed, it can be a useful tool that enables the Community Policy and Management Team (CPMT) to assess overall program effectiveness and whether compliance requirements are being met. When collaboration with local stakeholders is a part of the process, it is an even more effective tool. Collaboration on the workbook is a means to encourage and engage all stakeholders as participants in the evaluation process.

Here are a few tips to ensure your CPMT gets the most out of this resource tool:

1. **Collaborate** – The workbook was designed to allow for collaboration among stakeholders and for completion over a period of time. Consider establishing workgroups that may be tasked with completing designated sections of the workbook and periodically reporting results to the CPMT. The workgroups may be composed of members of the Family Assessment and Planning Teams (FAPT), CPMT, CSA Coordinator, and other appointees.
2. **Document** – Consider using a binder to document the information/materials collected as you complete the process (i.e. Bylaws, policies/procedures, flowcharts/narratives, CPMT/FAPT membership rosters, questionnaires, list of client cases tested for compliance, quality improvement plans, CPMT minutes documenting discussions, etc.). The binder would serve to document the process followed for the assessment that can be easily validated by the auditor. It is very important to document the period that you selected for review and that you keep a list of the cases that were tested for compliance, as it will be used

by the auditor to determine which cases will be selected for further validation. Lastly, a well-documented binder creates a single point of reference that can be shared with new stakeholders as one of many facets of the orientation process.

3. **Risk Assessment Worksheet** – This is an important part of the assessment. Avoiding the discussion of potential risks/threats to the achievement of your locally established goals and objectives is a risk. Consider using the following potential risk categories to initiate your local discussions:
  - Compliance – failure to comply with mandated federal and state laws, regulations, policies, and procedures.
  - External – those events that impact the program but occur outside of your control.
  - Financial – events that have a monetary impact on the program.
  - Operational – how infrastructure relates to business operations and the protection of resources.
  - Reputational – activities that may result in negative publicity for the program.
  - Technical – associated with operation of computer applications or programs, including computers and peripheral devices.
4. **Case Selections** – The workbook instructs you to select a sample of cases in order to test compliance with CSA statutes and policies adopted by the State Executive Council. It is acceptable to use the same sample throughout all sections of Topic 5 Compliance, provided that the sample cases chosen include diversity in the case selections (special education, foster care, non-mandated, residential, treatment foster care, intensive care coordination, CSA parental agreements, etc.). It is very important that you document how you chose the cases selected for review, which cases were actually reviewed, and the results of that review. Consider creating a worksheet to document the process and results. Maintain a copy of the worksheet with your completed Self-Assessment Workbook/Binder.
5. **Compliance vs. Non-Compliance** – The workbook requires one of three responses: Full, Partial, and Non-compliance. The box for the category Full should be marked whenever your review clearly indicates compliance with the stated criteria or where your program did not have any transactions/activities related to the criteria. For example, the criteria being evaluated is the transfer of a case to another jurisdiction but your locality did not transfer any cases during the period that is subject to review. Since there were no applicable cases, your program is deemed to be in compliance with the requirement. Partial compliance should be marked where your review determines that there is a departure from full compliance. The justification for the departure should be explained on a separate sheet that should be maintained with the workbook/binder. For example, the establishment of quality assurance and accountability procedures is the criteria and the locality has an informal process that has not been formally documented in their policy/procedure manual. Non-compliance should be checked when there is clear indication that the requirement was not met. For compliance testing of client files, the CPMT should consider establishing a tolerance level for the number/rate/materiality of acceptable errors (e.g. < 5 errors, <5%, <\$5) where applicable.

6. **Quality Improvement Plans** –Where you have identified that there are opportunities for improvement, a quality improvement plan should be documented and maintained with the workbook/binder. The quality improvement plan should include the steps taken to address your observations/areas of concern, individuals responsible for executing the plan, and the date anticipated that the quality improvement would be achieved. You are encouraged to use the template included in the workbook and to list each observation/concern on a separate sheet. This facilitates continued collaboration among local stakeholders as assignment of responsibility for monitoring and reporting on the status of the implementation of task identified can be shared.
7. **Certification** – Once the evaluation is completed, you will need to complete the acknowledgment of the overall current state of your program. In the last audit cycle, many localities concluded that their program did not have any significant non-compliance and/or internal control weaknesses. However, the auditor’s validation of the workbook results concluded differently. The Code of Virginia represents established laws. Non-compliance with established laws could subject the local CSA program to denial of funds that would impede the locality’s ability to achieve a significant objective of CSA to provide services and funding to at-risk youth and families. For clarity, non-compliance with any of the statutes of the Code of Virginia, Children’s Services Act is deemed significant and particularly where non-compliance has been an accepted practice over an extended period of time.

Once your initial assessment has been completed, you need only to periodically review and update content where operational policies, procedures, and practices have changed. For greater value, periodically review compliance measures to support our ongoing quality assurance and accountability efforts. Congratulations! You now have a resource that can be relied upon as a reference guide to your locally managed CSA Program. Most importantly, you have assurance that you will be ready if and when you are notified that an audit is in your immediate future. Armed with tools and resources, the rest is up to you.

